

December 7, 2010

Mr. Jeff Derouen
Executive Director
Public Service Commission
Commonwealth of Kentucky
211 Sower Boulevard
P. O. Box 615
Frankfort, KY 40602

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PUBLIC SERVICE
COMMISSION

RE: Case No. 2000-129

Dear Mr. Derouen,

As part of the Order issued by the Commission in the above referenced case, NiSource Inc. and Columbia Gas of Kentucky are required to notify the Commission if NiSource Inc. issues new debt or equity in excess of \$100 million. Pursuant to the Commission's Order, NiSource Inc. and Columbia Gas of Kentucky provide the following report on a new debt issuance.

On December 1, 2010, NiSource Inc. announced that its finance subsidiary, NiSource Finance Corp., is offering to sell \$250 million aggregate principal amount of its long-term debt securities in an underwritten public offering under its effective shelf registration statement. Principal and interest payments on the new notes will be fully and unconditionally guaranteed by NiSource.

NiSource will use the proceeds to implement a "cash tender offer" for some of its high coupon long-term debt. This action is part of NiSource's broader strategy to strengthen its balance sheet and refinance some of its higher-interest debt.

Please let me know if you need additional information regarding this matter.

Very truly yours,



Judy M. Cooper
Director, Regulatory Affairs